Transparency in Coverage (TCR) Overview and FAQs

On **November 12, 2020**, the U.S. Departments of Health and Human Services (HHS), Labor and Treasury issued a Final Rule entitled [Transparency in Coverage (the Rule)](). The Rule is intended to increase the availability and transparency of health care price information to consumers to enhance market competition and lower health care prices. The Rule follows the Hospital Price Transparency final rule, which went into effect on **January 1, 2021**, and requires hospitals to make public a variety of pricing information.

At a high level, the Rule requires affected entities to:

- Make certain rate and pricing information available through machine-readable files
- Provide consumers with personalized cost sharing information, including estimates of their out-of-pocket (OOP) costs by service

Horizon is making a good faith effort to meet all compliance requirements of the Rule.

Which entities does the Rule apply to?

The Rule applies to:

- Fully insured Commercial market individual and group health plans
- Self-insured accounts
- Qualified Health Plan (QHP) issuers
- Federal Employees Health Benefits Program

The Rule does not apply to:

- Medicare Advantage plans
- Medicare Supplement plans
- Medicaid MCO coverage
- Vision- or dental-only plans
- Grandfathered health plans
- Short-term, limited-duration insurance

We encourage accounts to consult with their legal counsel to determine if their plan is excluded.

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What's the purpose of the Rule?

The Rule's two core requirements are to:

1. Disclose to the public:

   • In-network (INN) provider negotiated rates

   • Historical out-of-network (OON) allowed amounts and billed charges

   • INN rates and historical net prices for covered prescription drugs

   Historical prices are for the 90-day time period that begins 180 days prior to the file publication date.

   This information must be available online, at no cost, in three separate, standardized, machine-readable files, and be updated monthly.

2. Disclose cost sharing information upon request to a participant, beneficiary or enrollee, including an estimate of the individual's cost sharing liability for covered medical items or services and prescription medicines through an online tool, and on paper within two days, if requested.

When does the Rule become effective?

There is a three-year, phased-in approach for affected entities to comply with the Rule. Plans and Issuers must provide:

   • Public access to the three machine-readable files for plan (or policy) years that begin on or after **July 1, 2022**;

   • Cost sharing information to participants, beneficiaries or enrollees for 500 specified items and services for plan (or policy) years that begin on or after **January 1, 2023**; and

   • Cost sharing information to participants, beneficiaries or enrollees for all covered items and services for plan (or policy) years that begin on or after **January 1, 2024**.

Horizon expects to comply with the law. However, significant legislation and regulations such as this typically require further guidance and rulemaking by government agencies. We will work with our accounts as more information becomes available to ensure compliance with regulatory deadlines.

Will Horizon only provide its data, or will Horizon allow for merging other vendor's data (for example, a Pharmacy Benefits Manager or specialty network)?

At this time, for **July 1, 2022**, we will only provide our data and data that we control. We will not include or merge other vendor's data. Data from third parties that are contracted by our customers will also not be included.

How often will data be updated?

Data will be updated monthly as required by the Rule.

How will the information be made available?

As required, we will provide links to the files on our public website. Users will be able to access the information without signing in or otherwise identifying themselves.

However, while the files will be publicly available on our website, these files are quite large and cannot be opened on a regular computer. Machine-readable files are expected to be used by researchers, government entities and data aggregators to develop comparative data across health insurance issuers.

How will Horizon address missing values such as NPI or procedure codes?

Horizon is developing procedures to research and resolve data discrepancies. Horizon will make a good faith effort to make all NPIs and TINs available for public consumption.

If an account opts to engage with a third party (such as a data warehouse or health care pricing vendor for enrolled members) to ensure compliance with the federal requirements, will your organization provide all necessary data elements to the third party?

Horizon will make the required data (in-network, out-of-network, and pharmacy rate files) available for public access and third-party developers will have access to this data.

We will consider appropriate requests for data from third-party vendors on an individual basis. We will share more information as it becomes available.

Which data file format will Horizon use (JSON, XML or YAML)?

Our data file format will be JSON.

What naming convention will Horizon use for the files?

Horizon will comply with the standard file naming convention based the Rule at the time of publication.

How will Horizon comply with the discounted rates disclosure requirements starting in 2022, specifically in making the three separate files available on your website?

We intend to build, generate and publish files with the data that we have accountability for on behalf of our customers on a monthly basis, as required by the Rule. Horizon is making good faith efforts in meeting all compliance requirements. We intend to be compliant with the requirements of the Rule.

Will machine-readable files be available for prescription drug pricing?

The requirement for machine-readable files for prescription drug pricing is currently on hold pending further rule making. We expect to comply with the requirements once they are finalized.

Will administrative fees change as a result of the Rule?

Horizon has not made any determination regarding changes to administrative fees as a result of the Rule.

Under the Rule, what information must be included in the cost estimator tool used by consumers?

Cost estimates will need to reflect current available information, indicating the consumers' financial liability for their health care items and services from providers of interest. The intent is to give consumers the opportunity to understand health care costs and their estimated cost sharing liability based on their benefits and deductible and/or out-of-pocket accumulations, as well as the opportunity to compare costs across providers before obtaining care.

The cost estimator tool must be available to participants, beneficiaries and enrollees or their authorized representative. The tool must:

- Include both in-network and out-of-network estimated costs
- Allow members or personal representatives to search based on billing code or description of the billing code
- Advise members of their current status toward their deductible, out-of-pocket maximums and their accumulations to date

This same information must also be available in writing at the member's request.

How do consumers benefit from having access to a cost comparison tool?

Cost comparison tools help consumers compare cost and quality across health care professionals so they can select the health care professional who is right for them. Members can better understand their potential out-of-pocket costs, so they can prepare for the care they need while managing their finances.

Understanding that enhanced access to health care cost information may reduce health care spending, the Rule allows, but does not require, health insurance issuers to receive credit in their Medical Loss Ratio (MLR) calculations for programs that create shared savings for members resulting from their shopping for, and getting care from lower-cost, higher-value providers.

Do you have a cost estimator tool today? If so, please describe your current cost estimation capabilities.

Horizon currently offers its members access to a Treatment Cost Estimator tool, which includes more than 500 services. However, the cost estimator tool required under the Rule will include more information, such as estimates for additional procedure codes and estimates for services received out of network.